

INDUSTRY DAY



Small Caliber Ammunition
Commercial System Integrator

18 May 2004

Industry Day Agenda

8:30	Registration	
9:00	Opening Remarks	Bill Sanville
9:15	Objective	LTC Butler
9:20 - 11:00	General Topics	
	<i>History</i>	
	<i>Concept of Operation</i>	Sue McKinnis
	<i>Acquisition Strategy</i>	
	<i>Work Distribution</i>	Ken Insco
	<i>Potential Round Mix</i>	
	<i>Desired Outcomes</i>	
	<i>Milestones</i>	Sue McKinnis
	<i>Questions & Answers</i>	Panel Discussion
	<i>Summary</i>	Bill Sanville
11:00 - 12:30	Lunch	
12:30 - 16:00	Break-Out Sessions	

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Objective

Acquire Ammunition from a single commercial “Systems Integrator” who has the capability to deliver Small Caliber Ammunition (5.56mm, 7.62mm & .50 Cal), conforming to US TDP, from a mix of “in-house” and sub-contractors / vendors (World Wide).

Small Caliber Ammo Production Base

WW II 16 Plants

Lake City Ordinance Plant - Remington Arms
Twin Cities Ordinance Plant - Federal Cartridge Co.
St. Louis Ordinance Plant - Western Cartridge Co.
Frankford Arsenal - Government
Denver Ordinance Plant -
Bridgeport PEP - Remington Arms
New Haven PEP - Winchester Western
Des Moines Ordinance -
Utah Ordinance -
Eau Claire Ordinance -
East Alton Ordinance -
Kings Mills Ordinance -
Evansville Ordinance -
Milwaukee Ordinance -
Allegany Ordinance -
Lowell Ordinance -

PEAK OUTPUT	WW II
Cal. 30	900M/mo
Cal.30 carbine	227M/mo
Cal.45 ball	250M/mo
Cal. 50	500M/mo

1.877B/mo

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Korean War 6 Plants

Lake City Ordinance Plant
St. Louis Ordinance Plant
Twin Cities Ordinance Plant
Frankford Arsenal
New Haven PEP
Bridgeport PEP

Vietnam 5 Plants

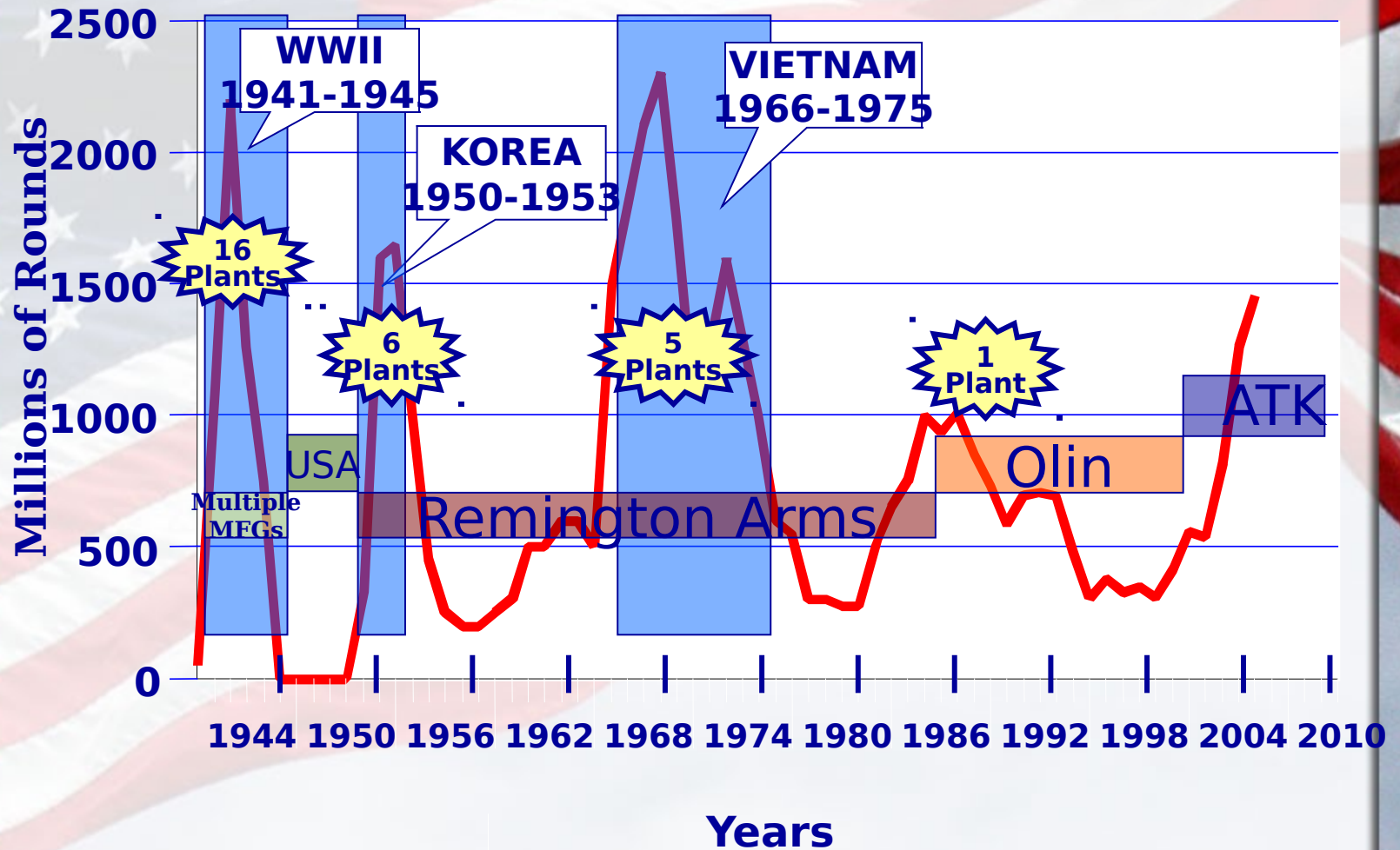
Lake City Army Ammunition Plant
Twin Cities Army Ammunition Plant
Frankford Arsenal
New Haven PEP
Bridgeport PEP

Today 1 Plant

Lake City Army Ammunition Plant
Peak Capacity 1.2B/yr

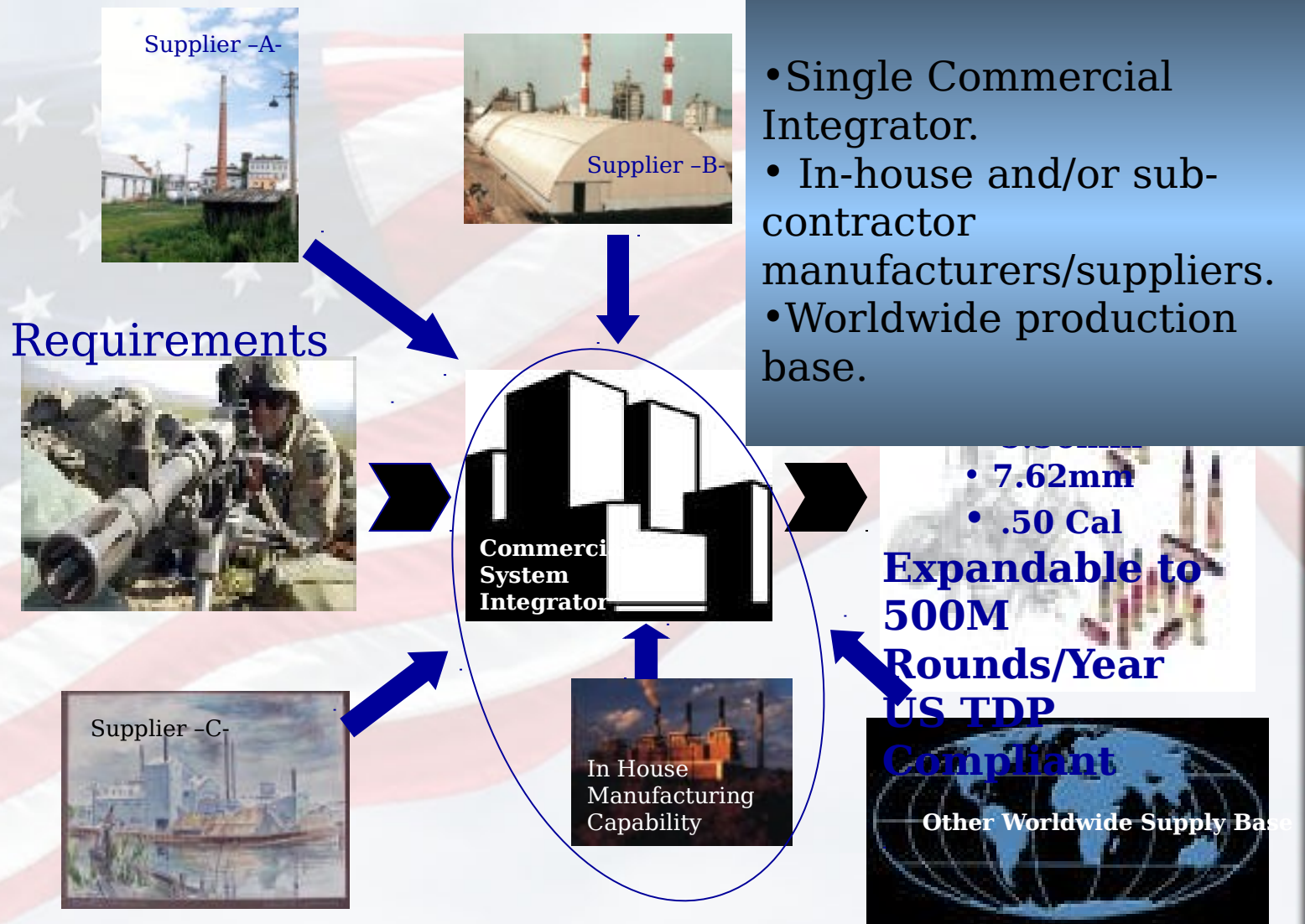
100M/mo

Small Arms Production History



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Concept of Operation



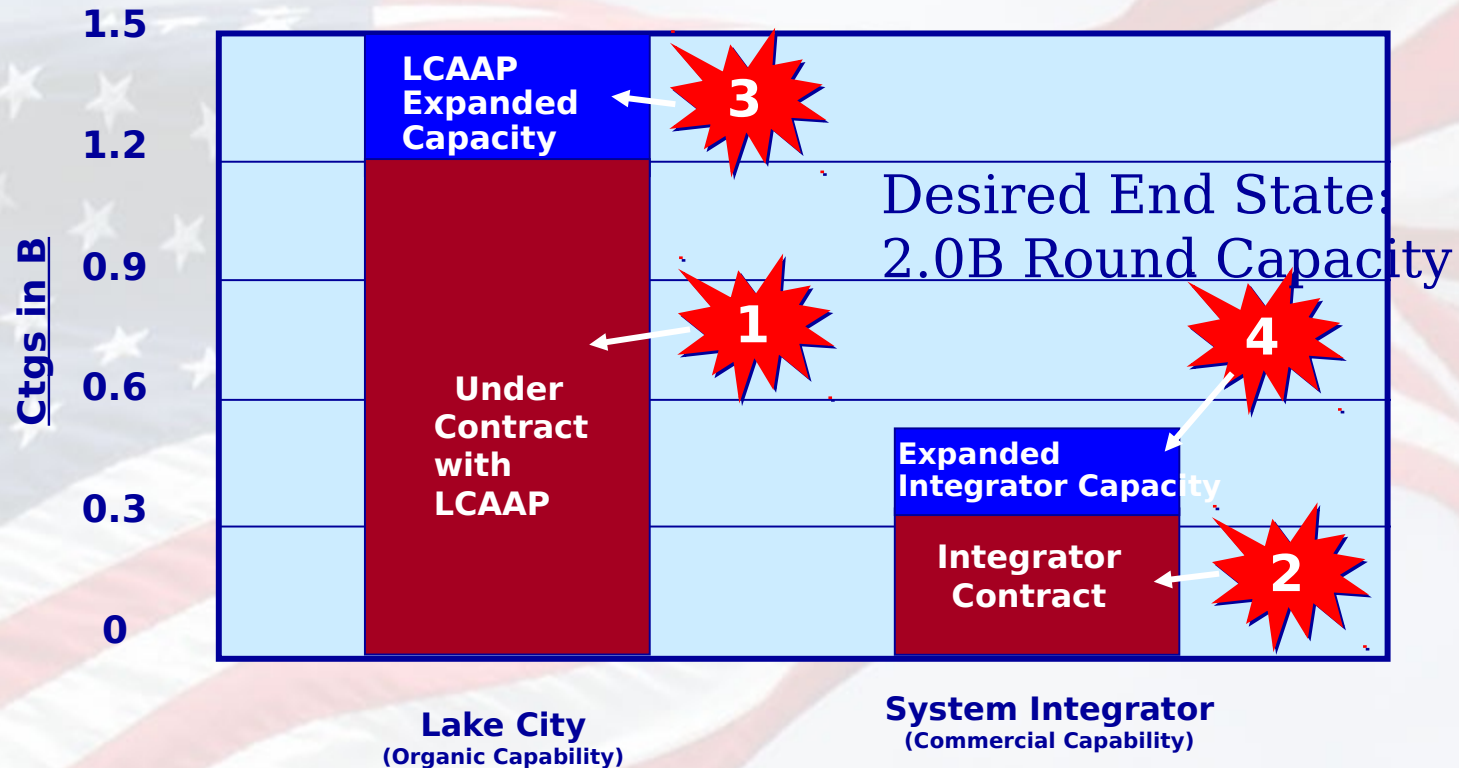
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Acquisition Strategy

- **Full and Open Competition**
 - *Basic Award for Capability and Initial Hardware Buy*
 - *Best Value Evaluation (Tentative Criteria)*
 - *Technical Management*
 - *Past Performance*
 - *Existing Production Capacity and Capabilities*
 - *Price*
 - *Small Business Utilization*
 - *Formal Source Selection with a Source Selection Authority*
- **5 Year Requirements Contract**
 - *Requirements Exceeding LCAAP Contractual Capacity*
 - *Firm Fixed Price Delivery Orders*
 - *Pricing Matrix for Quantities Up To 500M*
- **US Military TDP Ammunition**
- **First year buy subject to availability of funds.**
- **Delivery period will be 12 months from initial production delivery.**
- **Geographic Separation from LCAAP**
 - *No Government Furnished Property at Lake City will be Authorized*

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Work Distribution Between LCAAP and System Integrator



Strategy:

1. LCAAP (1.2B Ctgs).
2. Contract Commercial Capacity Through Integrator (300M Ctgs).
3. Expand LCAAP (300M Ctgs).
4. Expand Integrator (200M Ctgs).

Potential Round Mix For System Integrator

5.56mm

Ball

20M

Blank

85M

4 Ball/1 Trace

21M

7.62mm

Ball

26M

Blank

40M

4 Ball/1 Trace

80M

Caliber .50

Blank

17M

4 Ball/1 Trace

11M

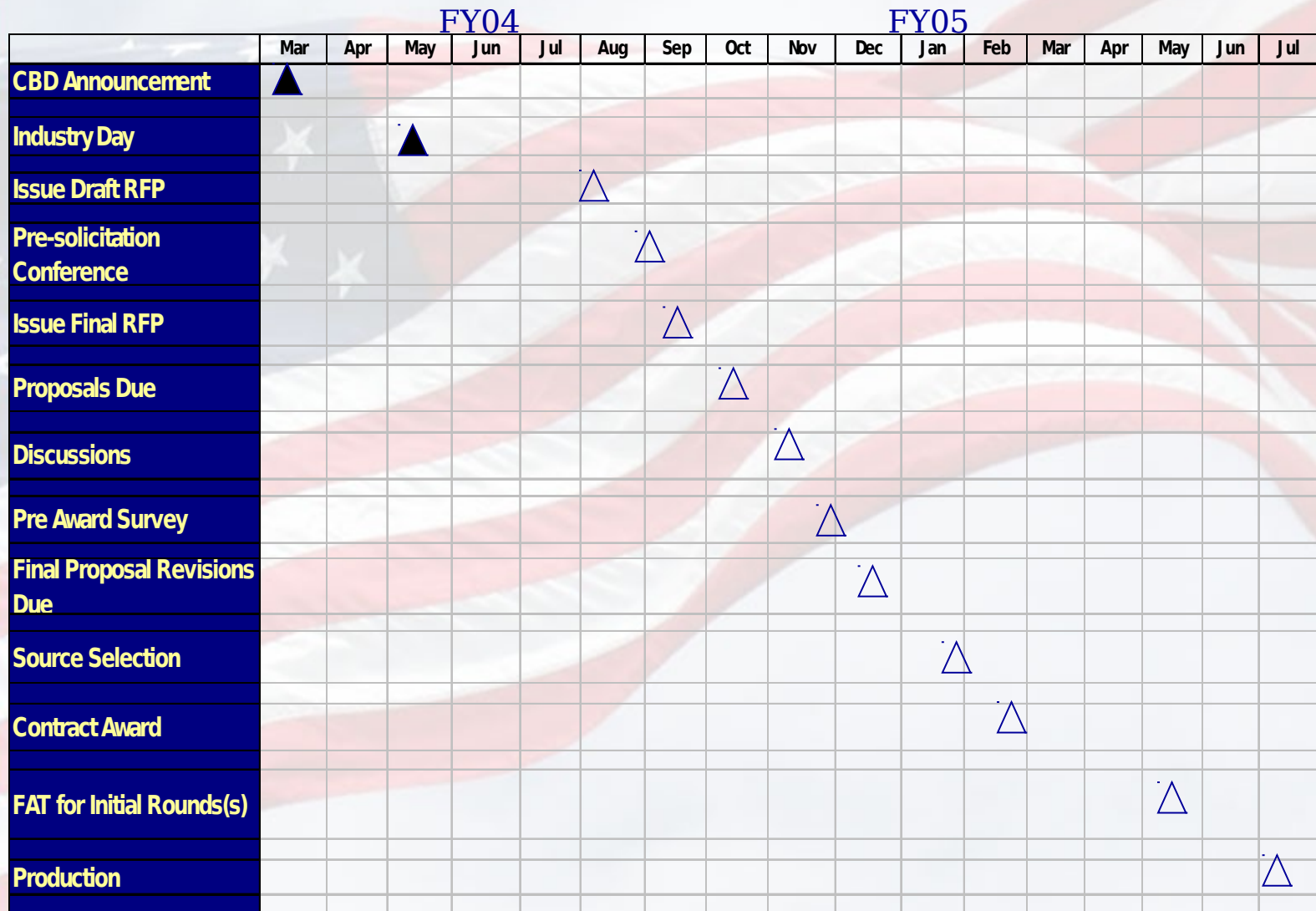
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Desired Outcomes

- **Meet Ammunition Requirements**
- **Maximize Utilization of Lake City**
- **Support Long Term Risk Mitigation**
- **Provide Geographical Separation**
- **All Three Families**
 - *5.56mm, 7.62mm, Caliber .50*
- **Mixes of Ball, Trace & Blank**
 - *Various configurations (e.g. linked, carton pack, etc).*

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Major Milestones (Tentative Dates)



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Questions & Answers

- **Use of Gov't Owned Property at Lake City Army Ammunition Plant**
 - *No use of any Government Property at Lake City including Equipment, Buildings, Property*
 - *Geographic Separation*
- **Anticipated Ctg Mix**
 - **5.56mm**
 - Ball 20M
 - Blank 85M
 - 4 Ball/1 Trace 21M
 - **7.62mm**
 - Ball 26M
 - Blank 40M
 - 4 Ball/1 Trace 80M
 - **Caliber .50**
 - Blank 17M
 - 4 Ball/1 Trace 11M
- **Association with Current Urgent Buys**
 - *In Addition to Current Urgent Buys*
- **Product Distribution Rules between ATK - Lake City and the System Integrator**
 - *First 1.2B Rounds to LCAAP, Next 300M to System Integrator, Next 300M to LCAAP, Final 200M to Systems Integrator.*
- **Will Government Investment Dollars be Available**
 - *If initial round buy is executed, NO investment dollars will be available.*
 - *If the contract does not include an initial round buy, facilitation dollars may be made available subject to availability of funds.*
- **Business Opportunities for Small Business Participation**
 - *Small Business Sub-Contracting Clauses will be included as well as the Small Business Plan*
 - *Rating Factor in Selection Criteria*

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Questions & Answers

- **System Integrator Choice Criteria**
 - **Best Value Evaluation (Tentative Criteria)**
 - ✓ **Technical Management**
 - ✓ **Past Performance**
 - ✓ **Price**
 - ✓ **Existing Production Capability and Capacity**
 - ✓ **Small Business Utilization**
 - **Final Criteria will be provided in the solicitation**
- **Is Any Idle Production Equipment Available**
 - **No equipment from LCAAP will be authorized.**
 - **Some equipment currently in storage may be available on a where is/as is basis.**
 - **Listing of Available Equipment will be provided as part of Solicitation.**
 - **Contractor would be responsible for transporting, installing, repairing, modifying, etc.**
 - **Contractor's Proposed price will be adjusted upward based on rental rates contained in FAR52.245-9.**
- **Comparison Between US and NATO Specs**
 - **While comparison is available System Integrator will be asked to provide to US TDP.**
 - **NATO Ammunition is not an option at this time.**
 - **Some rounds in the mix are NOT NATO rounds (Blank, Cal .50,etc)**
- **Will Integrator be Producing Specialized Ammunition**
 - **NO**
 - **US TDP Ammunition Only**
 - **Blank, Trace & Ball mix as indicated**
- **There will be NO R&D activities in the System Integrator Contract**
- **For additional information see RIA Webpage:**
<http://www.osc.army.mil/ac/aais/ioc/solinfo/sow/sow.htm>

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Summary

- **Army plans to establish a commercial second source system integrator for small caliber ammunition.**
- **Integrator will be capable of providing 300M US TDP small caliber rounds per year from a variety of in-house and subcontractor/ vendors manufacturers.**
- **Integrator will be able to expand capacity to 500M rounds per year, if necessary.**
- **Contract to be awarded best value through full and open competition.**
- **Potential first year buy up to 300M rounds.**
- **Contract award expected 2QTR-FY05.**
- **5 year contract.**

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The background of the slide is a stylized, wavy American flag. A solid red horizontal line is positioned near the top of the image. A yellow rectangular box with a thin blue border is centered in the middle of the slide.

**[http://www.osc.army.mil/ac/aa
is/ioc/solinfo/sow/sow.htm](http://www.osc.army.mil/ac/aa
is/ioc/solinfo/sow/sow.htm)**

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